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RUEHBY/AMEMBASSY CANBERRA 0069  
RUEHPB/AMEMBASSY PORT MORESBY 3252  
RUEHWL/AMEMBASSY WELLINGTON 1115  
RUEHHM/AMCONSUL HO CHI MINH CITY 0150  
RHHJJPI/USPACOM HONOLULU HI  
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C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 013121

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TAGS: [PGOV](#) [KDEM](#) [KISL](#) [ID](#)

SUBJECT: SPEAKER OF PARLIAMENT WEATHERS VOUCHER SCANDAL

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Classified By: Classified By: Political Officer Eric W. Kneedler, reason: 1.4 (b) and (d).

SUMMARY

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¶1. (C) Agung Laksono, Chairman of Indonesia's House of Representatives (DPR), has apparently emerged relatively unscathed from a scandal surrounding his involvement in a school voucher distribution exercise. The controversy erupted following the revelation that he improperly handed out vouchers entitling schools to approximately 470 million rupiah (\$52,000) in government funds during a "Ramadhan Safari" campaign style trip around Java. The Indonesian Anti-Corruption Commission (KPK) conducted a preliminary investigation into the matter and absolved him of any wrongdoing. Agung has nevertheless been heavily criticized for his role in the scandal by fellow parliamentarians and even members of his own party. Though it is unlikely the matter will be pursued any further in a legal sense, most observers believe Agung is, at a minimum, guilty of a tremendous lapse in judgment. End Summary.

VOUCHER-GATE

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¶2. (U) During the course of a week long campaign style barnstorming mission around Java during Ramadhan, commonly referred to in Indonesia as a "Ramadhan Safari," Chairman Laksono distributed 470 million rupiah in school vouchers to four different schools. The voucher program, designed to circumvent red tape by allowing the Education Minister to deploy funds quickly to deserving schools, requires recipient schools to file an application with the Education Ministry outlining how the funds will be used. If the application is approved, the schools can then tap Education Ministry funding to repair school facilities.

¶3. (U) After the Chairman's involvement in the release of vouchers first came to light, questions immediately arose about the propriety of Laksono handing out public vouchers during what was essentially a political goodwill campaign for himself and Golkar, his political party. Laksono sought to counter the charges by claiming he handed out the vouchers not as a member of Golkar, or as a political figurehead, but rather in his capacity as the chair of Kosgoro 1957, a little known political organization with Golkar ties that manages several hundred schools. The Education Minister, Bambang Soedibyo, himself a member of the National Mandate Party

(PAN), was also implicated in the scandal for passing the vouchers to Laksono and widely criticized for using the voucher program to perpetuate precisely the sort of patronage and brokering the voucher program was designed to prevent.

14. (C) One of Laksono's top aides told us Laksono distributed vouchers in similar fashion last year but without receiving any backlash; he was very surprised by the criticism. He told us Laksono viewed the attacks as political in nature and contended they were totally without merit. According to the contact, Laksono believed the act of handing out school vouchers did not present a conflict of interest for him, even if it could have appeared to some that he was handing out state resources while acting in his role as Golkar party Deputy Chairman. From Laksono's standpoint, the contact added, it would be impossible to completely divorce himself from his Golkar party role in the public eye.

#### THE IMPACT -----

15. (C) Shortly after the voucher scandal became public, several parliamentarians, including Golkar member Agun Gunandjar Sudarsa, publicly denounced Laksono for his role in the scandal and called for a thorough investigation by the KPK. Other members called for an investigation by the DPR's Ethics Board. The KPK initially announced its intent to investigate the matter thoroughly and pursue any evidence of corrupt practices, but privately several member of the KPK tell us they have not found enough evidence to move forward with a case against Laksono and do not plan to pursue the matter further. Our DPR contacts tell us a DPR Ethics investigation is also highly improbable. It appears that at least from a legal perspective, the matter has been dropped for now.

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16. (C) After an initial flurry of activity in the media, the matter has also largely dropped from the headlines. Most observers, impartial and otherwise, suspect Laksono used the vouchers to reward supporters, pursue kickbacks, or otherwise dispense patronage. Undoubtedly this incident will damage his image and only serve to reinforce the widely held belief that Laksono is an old style politician totally uninterested in clean governance. Laksono may not be found guilty of corruption, but most observers feel he demonstrated a remarkable lack of judgment.  
PASCOE